ANTECEDENTS OF CONSUMER TRUST WITH RUTHLESS BRAND LEADERS

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ABSTRACT

Research suggests that the development of trust between consumer and brand is the crux of relationship strength. This paper presents a conceptual model of trust development in the consumer-company relationship for brands perceived as ruthless, and examines the influencing role of the ruthless organisational leader. It is conceptualised that even when the leader of an organisation holds a ruthless image, that positive relationship strength can be achieved, due to the mediating role of consumer brand trust. In addition, the paper investigates the long-standing theoretical issue of image congruence and seeks to offer insights into how brands with negative associations are not always destined to receive negative consumer responses. They can in fact result in positive relationship strength between consumers and brands.

INTRODUCTION

The reputation of organisational leaders is an area of the academic literature, which has received great interest in recent times. As the line between product and corporate brand is being erased, so too is the line between company and leader. Corporations today are more transparent and open to consumers, who act upon these associations in order to form their perceptions (Brown and Dacin, 2002; Schultz and de Chernatony, 2002). Hence, it may be argued that the role of the corporate leader is of strategic importance to a corporate brand (Hall et al., 2004). Moreover, there is a widely held principle in the literature that in order to be successful in today’s markets that your company and brand must have a good image, and that management of your externally perceived reputation is paramount. Theoretically, good image is determined by having positive characteristics and traits associated with your brand in a bid to conjure up a good brand image of associations, so consumers hold your brand in a more favourable position to the alternatives (Malhotra, 1981; Aaker, 1997; Graeff, 1996). In addition, the concept of image congruence would suggest that a consumer is more likely to purchase a brand, which has a similar image to his or her own self-image (Sirgy, 1982). That said, intuitively one may assume that if the leader of an organisation plays a role of critical importance in the relationship development between consumer and brand, then the image of the leader must also be congruent.

For the purpose of this paper, we argue that image is not about being good or bad but is about being fitting and competitive (Fournier, 1998). As markets become more competitive it is the role of the organisational leader to actively stake a position in order to compete. The author argues therefore, that organisational leaders are often ruthless in their determination to succeed. Hence, some of today’s most successful brands are the work of ruthless leaders e.g. Ryanair and Michael O’Leary; Microsoft and Bill Gates. Therefore, one may assume that being ruthless can in fact be good for a corporation’s image and can have a positive influence on relationship development between the consumer and the company. Brown and Dacin (1997) argue that companies with negative images and association are not necessarily destined to receive negative responses from consumers.
The purpose of this paper is to present a conceptual framework which investigates the relationship between consumer and the organisational leader. We aim to examine the antecedents of consumer trust in the organisational leader, the influence of consumer satisfaction in the development of trust and the relational outcomes evident in relationships where the leader is perceived as ruthless. The remainder of this paper discusses the conceptual framework and presents the influential literature underpinning this model with our hypotheses introduced throughout. Finally, the paper offers some implications for managerial practice along with some concluding comments.

CONCEPTUAL FRAMEWORK

The purpose of the conceptual framework (appendix 1.) is to illustrate the relationship between organisational leader and consumer and the influential factors present during the formation of consumer trust. The model identifies that the image of the leader is a central factor in the development of trust and that pre-satisfaction with the organisational leader is a significant element of the relationship development. Trust is decomposed into two components namely; likeability (character; honesty) and credibility (competence; empathy). We aim to investigate which of these two trust components has the greater influence on relationship strength between the consumer and the company, when the leader of the organisation is perceived as ruthless.

IMAGE CONGRUENCE

Research surrounding the influence which branding and image congruence has on consumer’s behaviour has increased in previous decades. For instance, the role of image congruence and self-concept has been studied in a number of different contexts including product perception (Malhotra, 1981; French and Glaschner, 1971; Hamm and Cundiff, 1969), destination choice (Sirgy and Chenting, 2000), promotional messages (Graeff, 1996; 1997), implicit behaviour patterns (Greeno, Sommers and Kernan et al., 1973), advertising perception (Debevec et al., 1987; Domzal and Kernan, 1993; Markus, 1977), retailer patronage (Sirgy, Grewal and Mangenburg, 2000, Dornoff and Latham, 1972; Bellenger, Steinberg and Stanton, 1976), advertising effectiveness (Hong and Zinkan, 1995) and symbolic interactionism (Leigh and Gable, 1992).

Regardless of context, the argument is placed that when consumers perceive a brand to hold a similar or congruent image to their own actual or ideal image, the result is a greater chance of relationship development between consumer and brand (Malhotra, 1981; Sirgy, 1982; Heath and Scott, 1998). Research surrounding consumer-brand congruence has viewed the concept of image congruence as the matching of favourable images between consumer and brand and omitted the possibility that incongruence may have favourable relationship outcomes. Likewise, to a lesser degree the influence that an organisational leader has on this relationship formation has also been neglected in the brand management literature. When consumers purchase products or brands that they believe possess symbolic images similar to the image they hold of themselves, this is referred to as image congruity (Heath and Scott, 1998). The study of image congruence developed from the early work of Tucker (1957) who argued that consumers’ personalities could be defined through product use. Aaker (1999) goes further to explain that the crux of self congruity is that consumer prefer brands associated with a set of personality traits congruent with their own (Kassarjian, 1971; Sirgy, 1982).
The image congruence hypothesis is a model for symbolic consumption that explicitly links the evaluation of product attributes with the interpretations of product meanings (Hogg, Cox and Keeling, 2000). According to Graeff (1996) the image congruence hypothesis states that consumers should have a favourable attitude and purchase intention toward brands that are perceived to be congruent or matching with their self-image, and relatively less favourable attitudes toward brands perceived to be incongruent with their self-image.

Nevertheless, much of the research concerning image congruence and self-concept is centred around the explanation of consumer brand preference, purchase intention or usage in terms of congruency of products with the consumer’s self-concept (Heath and Scott, 1998), and fails to investigate the successful relationships between consumer and brand in instances of incongruity. Numerous empirical studies show strong support that consumers purchase goods that are congruent with their self-concept (Graeff, 1996; Birdwell, 1964; Grubb and Stern, 1971; Ross, 1971; Sirgy, 1982; Sirgy and Chenting, 2000). Such empirically confirmed behaviour is of interest to both brand managers and marketers alike, as it suggests that a purchase is not likely to take place where there is a lack of congruency between product image and consumer self-concept (Onkvisit and Shaw, 1987; Heath and Scott, 1998).

However, the concept of image congruence and self-concept relevancy is based upon a consumer’s ability to interact at a humanistic level with a brand so as to establish an emotional attachment to the brand. The author therefore argues that consumer brand congruency is centred upon the influencing role of personality. Aaker (1997) defined brand personality as “the set of human characteristics associated with a brand”. Aaker’s brand personality measurement scale was made up of a number of traits. These traits came from a number of sources including; personality scales from psychology, personality scales used by marketers, and original qualitative research. The personality dimensions, which Aaker developed included sincerity, excitement, competence, sophistication and ruggedness which are better known as the ‘Big Five’. Congruence is assessed by rating the similarity of the image scoring of the product and of the self.

Studies by Aaker (1997), Malhotra (1981), Graeff (1997) and numerous other authors have one common theme, that brand image can be measured using personality traits as a metaphor, and that a good image is a result of scoring high on positive traits. Davies et al. (2004) argues that ruthlessness is a negatively valenced dimension of corporate personality and that no similar dimension has been reported in the reputation or branding literature. We argue that ruthlessness can be a positive dimension of brand image as image is not about being good or bad (Aaker et al., 2004), but about being fitting and competitive. Therefore we define ruthlessness as an ambitious, competitive and malevolent driving force that allows for no regret when in pursuit of a (company) goal. Hence, we question whether consumers hold favourable attitudes towards brands, which are incongruent with their own image? (Aaker et al., 2004), and what influence does the image of ruthless organisational leaders have on the perception, which consumers have about corporate brands? Based on the above discussion and arguments, we state the following hypotheses:

**H1:** The more ‘agreeable’ the customer image the more ‘agreeable’ the organisational leader image.
LEADER REPUTATION

As noted previously, the majority of research into the study of image congruence has focused on the direct relationship between consumer and brand. Corporate associations surrounding the product brand also play an important role in the development of consumer’s perception about a brand (Brown and Dacin, 1997, 2002; Berens et al., 2005). Therefore, the issue of brand image and corporate image becomes even more complex when an individual (CEO, company figurehead, or leader) is closely associated with the brand. Hence, organisational leader image may be seen as another association surrounding the corporate brand, which influences stakeholder’s perceptions about the entire organisation. How strong an influence an organisational leader has on the organisational brand and corporate reputation will possibly depend on the level of public awareness of the individual. Hence, our conceptual model aims to uncover the differing behaviour of consumers when the leader of the organisation is actively present, and more interestingly when the leader has a perceived ruthless image and influence on the overall corporate reputation.

Lazarus (2003) argues that today’s brands (corporate and product) are inextricably linked to the leaders image and behaviour. In essence, the leader is often an ambassador of the corporate and product brand and therefore, brand management of the organisational leader is now paramount. Leader image has a direct influence on the reputation of the entire organisation (Hall et al., 2004). Likewise, Whittmeyer (2000) argues that reputations of corporate leaders typically are positively related to trust. Therefore, the image of the organisational leader must be aligned with the image of the corporate / product brand (Tyler and DeGoey, 1996). Bromley (1993) argues that reputation as a form of influence exerts itself in self-esteem, social identity, individual behaviour, and social interactions (Hall et al., 2004). He believed that as individuals share their impressions of organisational leaders with others that these impressions consolidate into collective impressions. Hence, these collective impressions then influence choices, attitudes, expectations and beliefs. When applied to organisational leaders, it can be argued that leader reputation is both a product of, and is defined by social networks through collective impressions (Ammeter et al., 2002; Ferris et al., 2003; Ferries et al., 2002).

Hall et al. (2004) developed and conceptualised a model of CEO reputation that demonstrates how leader style and reputation influences the level of trust placed in leaders by others, as well as the degree of accountability imposed on the leader. Their study revealed that the reputation of leaders directly influences the trust and confidence that stakeholders place in them. They argue that trust is needed for effective leadership and that trusted leaders are more likely to see their decisions accepted by subordinates (Ilgen, Fisher, and Taylor, 1979). Research into personality is a long-standing and important arena of literature owing much of its pioneering work to Allport (1937), Cattell (1945) and Eysenck (1953). Digman (1990) and Goldberg (1990) gave us the ability to use personality as a means to uncover consumer perceptions about brands based on traits and dimensions of human personality. The extension of personality to brands (Aaker, 1997) and more recently to corporate brands via character (Davies et al., 2002) offers us a comparable ground upon which we can draw conclusions. Likewise, as leaders of organisation are people they too have personalities, which can act as a contributing factor to the personality of the corporate brand. Argenti and Druckenmiller (2004) suggest that many corporate brands are directly associated with the individuals who mange them. They argue that Richard Branson is inextricably linked with the brand Virgin.
They go further to emphasis that it is inevitable that strong business leaders’ own personalities help shape the corporate brand personality. They do point out however, that when personal reputation is impaired that the consequences for the corporate brand and reputation can be disastrous. Similarly, Lazarus (2003) argues that just as positive behaviour has the potential to halo a brand, every organisational leader misstep is a potential scar on the brand. This is due to the fact that consumers find it difficult to distinguish the leader from the corporate brand.

A Burson – Marsteller study provides research to show that the role of the organisational leader in overall corporate reputation has increased from 40% in 1997 to 48% in 2002 (Gaines-Ross and Cakim, 2002). Their study states that the leader of a corporation directly influences a range of stakeholders including shareholders, potential shareholder, financial and industry analysts, potential employees, customers and naturally bottom line performance. Therefore, one may assume that in order for the organisational leader to enhance the image of the corporate or product brand, his or her own externally perceived image by consumers must be congruent with the image of the corporate brand. This concept would be in line with the current theoretical concept of image congruence. However, what are the outcomes when the organisational leaders image is perceived as being ruthless? Research to date, suggests that leader image acts as a positive association to a corporate brand if it is congruent and positive, but fails to identify that some of today’s most successful brands are run by ruthless leaders in organisation with negative corporate associations. Based on the above discussion and arguments, we state the following hypotheses:

H2: The more ‘agreeable’ the organisational leader image the greater the consumer satisfaction.

CONSUMER SATISFACTION

When a consumer has a similar or matching personality with the brand they purchase that this will in turn lead to greater satisfaction with the brand (Graeff, 1997). Garton (1995) argues that the greater the match between the consumer self-image and the perceived image of the brand the more significant the impact on the consumer-company relationship, which results in greater satisfaction with the brand. Hence, the greater the similarity of images the greater the satisfaction. Satisfaction with a brand (organisation, product, company or individual) may therefore be defined as the subjective evaluation of a chosen alternative brand, that meets or exceeds expectations (Bloemer and Kasper, 1995). Oliver (1997) defines consumer satisfaction as the difference between what we anticipate and what we accept. Within the marketing literature satisfaction is seen as a post-purchase relational outcome, however the author argues that satisfaction can be anticipated by the consumer prior to purchase due to the perceived self-enhancement expected from the purchase of the brand. Yi (1990) states that many studies have found that consumer satisfaction influences purchase intentions (pre-purchase) as well as post-purchase attitudes. Woodruffe et al. (1983) and Walter and Bergiel (1989) also suggest that although most satisfaction studies between consumer and brand are based on post-purchase evaluations, consumers may also anticipate the satisfaction that they will receive from a purchase. Therefore, consumers may anticipate pre-purchase satisfaction for a number of reasons including positive image congruence, an ability to generate trusting relations, self-enhancement opportunities or due high consumer involvement and information searching.
Anderson and Sullivan (1993) argue that reputation and customer satisfaction have been seen as interrelated. That said, if a brand is anticipated to have a good and trustworthy reputation then this will enhance the consumer image, thus satisfaction can be derived prior to brand purchase. In addition, if a consumer identifies that an organisational leader has a ruthless image but they are accepting of this, in the context of the corporate brand, can satisfaction still be established prior to purchase and the development of trust? Based on the above discussion and arguments, we state the following hypotheses:

**H3:** The greater the consumer satisfaction the greater the consumer trust with the organisational leader.

**CONSUMER TRUST**

Theoretical contributors argue that consumer’s trust in brands is an essential ingredient in order for relationship success (Anderson and Narus, 1990; Anderson and Weitz, 1990; Crosby et al. 1990; Moorman et al., 1993; Berry, 1995). Consumer brand trust is whereby one party in a relationship i.e. the consumer, has confidence in an exchange partners reliability and integrity (Morgan and Hunt, 1994). Doney and Cannon (1997) stress that trust is only relevant in situations of uncertainty for instance, where there exists image incongruity, information asymmetry or in brands with traditional negative images. In addition, Moorman et al. (1993) states that brand trust is a willingness to rely on an exchange partner in whom one has confidence. This definition spans the two general approaches to brand trust in the literature.

The first approach views trust as a belief, confidence, or expectation about an exchange partner’s trustworthiness that results from the partner’s expertise, reliability, or intentionality (Anderson and Weitz, 1990; Blau, 1964; Dwyer and Oh, 1987; Pruitt, 1981; Rotter, 1967; Schurr and Ozanne, 1985). The second approach views trust as a behavioural intention that reflects a reliance on a partner and involves elements of vulnerability and uncertainty on the part of the trustor (Coleman, 1990; Deutsch, 1958; Giffin, 1967; Schlenker, Helm and Tedeschi, 1973; Zand, 1972). The second school of though argues that without vulnerability or uncertainty there is no need for brand trust as the consequences are not significant enough to warrant thought. Trust therefore, is the moderator to reduce risk and to increase confidence in the consumer-company relationship. In order for consumers to develop a relationship with a brand, the perceived image of the brand must be trusted. However, before a consumer can trust a brand there must be an element of satisfaction with the brand (Michell et al., 1998). The brand trust literature takes the stand that consumers trust brands that are good and honourable, and hold positive brand images and personalities (Andreassen and Lindestad, 1997; Fornell, 1992; Chaudhuri and Holbrook, 2001). Costa and McCrae (1995) suggest that the human personality dimension of ‘agreeableness’ reflects trust and that consumers who are more agreeable tend to be more trusting. However, there is an apparent lack of literature surrounding consumer trust and brands, which hold negative images. The author suggests that consumers can have committed relationships with brands that are perceived to have negative images or part thereof. The author also argues that consumers may be loyal because of a high level of trust, satisfaction or image congruence, but also because of high switching costs and a lack of real alternatives. Furthermore, the author postulates that consumer trust in organisational leaders is two fold namely; likeability and credibility. Likeability is linked to trust in a person and refers to the personal relevance a consumer can see in an organisational leader. Where likeability exists the consumer is trusting of that person based on character perceptions and honesty.
Credibility is linked to competence and empathy in the organisational leader and refers to a consumer’s perception of an organisational leader’s ability to carry out their role as ambassador and role model of the organisation. Where credibility exists the consumer is trusting of the leader’s performance. Brown and Dacin (1997) suggest that companies with negative associations are not always destined to receive negative responses from consumers. When organisational leaders are perceived as ruthless and where consumer incongruity exists that the formation of trust can still occur and that positive relationship strength can develop in a similar fashion to the way in which it would occur if the leader held a positive image. Trust can therefore be seen a moderator to relationship strength. Hence, we state the following hypotheses:

H4: The greater the consumer trust the greater the consumer likeability in the organisational leader.

H5: The greater the consumer trust the greater the consumer credibility in the organisational leader.

H6: The greater the consumer likeability in the organisational leader the greater the relationship strength.

H7: The greater the consumer credibility in the organisational leader the greater the relationship strength.

MANAGERIAL IMPLICATIONS & CONCLUDING COMMENTS

The theory that relationship strength and powerful brands are inextricably linked with good brand image is a concept that has been reiterated throughout the literature for decades. However, this theory does not support the reasoning behind some of today’s most successful brands that have established strong relationship commitment with consumers, but are perceived by consumer as being ruthless and having negative corporate associations. We argue that the concept of image congruence is not all encompassing and does not reflect all successful brands in the current competitive market. Likewise, we argue that the influence of the organisational leader’s reputation is at present underestimated and needs to be more reflective and seen as a critical element in certain brands types. That said, it is not necessary that the organisational leader’s image be a traditionally positive image, rather it must be fitting and competitive enough that consumers believe in the leader and can develop trusting relations with. Whether a consumer has trust in leaders credibility or likeability will inevitably depend on the type of relationship between consumer and brand. Nevertheless, there are budgeting implications associated with the arguments postulated above. Our argument raises this issue to be further considered by managers and academics alike. For instance, surely it is more expensive and time consumer to develop and maintain a sincere, agreeable brand that is socially responsible. Similarly, our arguments identify the need for managers to place more focus on the role of the organisational leader in the promotion of corporate values.

The main focus of this paper has been to illustrate the influence that organisational leaders exert upon the relationships that consumers develop with brands. We question, can consumers trust brands when the leader is ruthless, do consumers still trust brands where image incongruity exits with the brand and / or the leader, and whether it is more important for a brand to have a positive or competitively fitting image. Our conceptual framework (appendix 1.) proposes that where consumer-brand incongruity exists, especially with the organisational leader, that trust is the overriding variable and moderator to positive relationship strength.
REFERENCES


APPENDIX 1.

Figure 1. Conceptual Framework